

Message Text

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TRSE-00 EB-08 IO-13 /082 W
-----035200 091845Z /40
R 091600Z MAR 78
FM AMEMBASSY BERLIN
TO SECSTATE WASHDC 6892

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E.O. 11652: N/A
TAGS: CPRS, GE, US
SUBJECT: US-GDR CLAIMS TALKS.

REF: A) BERLIN 1574, B) 77 STATE 283264, C) 77 BERLIN
8548 AND PREVIOUS.

1. SUMMARY: EMBOFFS HAVE MET WITH CONTACTS AT WESTERN MISSIONS TO DISCUSS THEIR CLAIMS NEGOTIATING EXPERIENCES WITH THE GDR. IN PREPARATION FOR US-GDR INFORMAL CLAIMS TALKS MARCH 28-29, WE SOLICITED FROM CONTACTS INFORMATION ON PROCEDURES FOR OBTAINING EVIDENCE ON PROPERTY WHICH IS THE SUBJECT OF THE CLAIMS, AND ON POSSIBLE GDR COUNTER-CLAIMS.

THE CONSENSUS ON DOCUMENTATION IS THAT CLAIMS ARE REVIEWED INDIVIDUALLY AT EXPERT LEVEL MEETINGS FOR IDENTIFICATION AND ELIGIBILITY. THE GDR THEN CONDUCTS A RECORD SEARCH AND PROVIDES DOCUMENTATION AT A SUBSEQUENT MEETING. IN GENERAL, THE GDR'S RECORD IN PROVIDING DOCUMENTATION IS GOOD.

THE PRINCIPAL GDR COUNTER-CLAIM IN TERMS OF MONETARY VALUE OF ASSETS, IS THEIR CONTENTION THAT FOREIGN PROPERTY HAS LIMITED OFFICIAL USE

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NOT BEEN TAKEN BUT IS "UNDER GDR ADMINISTRATION AND PROTECTION"; TITLE CONTINUES TO BE HELD BY THE FOREIGN OWNER AND EXPENSES OF ADMINISTRATION ARE CHARGED AGAINST THE ASSET'S VALUE. OTHER GDR COUNTER-CLAIMS WHICH HAVE BEEN MENTIONED INCLUDE CLAIMS FOR WAR-TIME EXPROPRIATION OF GERMAN PROPERTY OR ACCOUNTS, CLAIMS FOR A PART OF GERMAN ASSETS WHICH WERE ASSIGNED BY THE NEGOTIATING

GOVERNMENTS TO THE FRG, AND CLAIMS FOR COSTS RESULTING FROM THE "LATE RECOGNITION" OF THE GDR BY THE NEGOTIATING STATES. END SUMMARY.

2. IN ANTICIPATION OF THE US-GDR INFORMAL TALKS ON CLAIMS SCHEDULED FOR MARCH 28-29, EMBOFFS HAVE MET WITH OFFICERS OF A NUMBER OF WESTERN MISSIONS TO DISCUSS THEIR CLAIMS NEGOTIATION EXPERIENCES WITH THE GDR. CERTAIN GDR POSITIONS HAVE EMERGED AS COMMON TO THE EXPERIENCE OF MANY OF THE WESTERN GOVERNMENTS IN THESE DEALINGS WITH THE GDR. VIRTUALLY ALL OF OUR CONTACTS SAY THAT, WITH RESPECT TO PROPERTY CLAIMS, THE GDR CONTENDS THAT FOREIGN ASSETS ARE "UNDER GDR ADMINISTRATION AND PROTECTION", BUT TITLE CONTINUES TO BE HELD BY THE FOREIGN OWNER. THE EXPENSES OF ADMINISTRATION, INCLUDING FEES, TAXES, AND REPAIRS, ARE CHARGED TO THE TITLE HOLDERS, AND CLAIMS CAN BE REDUCED TO ZERO, OR A NEGATIVE BALANCE, WHEN THE CHARGES ARE APPLIED AGAINST THE ASSET'S VALUE. THE GDR HAS TAKEN THIS POSITION EXPLICITLY ONLY IN ITS PROCESSING OF INDIVIDUAL CLAIMS WITH SWEDEN, AND IMPLICITLY IN TALKS/NEGOTIATIONS WITH OTHER WESTERN GOVERNMENTS.

3. OTHER OBSERVATIONS OF OUR CONTACTS ON GDR ATTITUDES, OR CONDUCT OF THE NEGOTIATIONS, INCLUDE: A) THE GDR LAND REFORM NATIONALIZED PRIVATE HOLDINGS OVER 100 HECTARES IN SIZE AND GDR NEGOTIATORS SAY THEY WILL NOT ACCEPT CLAIMS INVOLVING "FORMER" OWNERSHIP OF SUCH HOLDINGS. B) THE GDR LIMITED OFFICIAL USE

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SIDE HAS REFUSED TO DISCUSS CLAIMS INVOLVING MULTINATIONAL CORPORATIONS WITH ENTITIES (DAUGHTER COMPANIES, OWNED SUBSIDIARIES) IN WHAT IS NOW THE FRG. C) THE DISCUSSION OF INDIVIDUAL CLAIMS IS CONDUCTED AT MEETINGS OF EXPERTS OR TECHNICIANS FROM BOTH SIDES. THIS IS AN IDENTIFICATION AND ELIGIBILITY PROCEDURE, AFTER WHICH THE GDR SIDE CONDUCTS A RECORD SEARCH AND PROVIDES DOCUMENTATION ON THE CLAIM AT THE NEXT MEETING. THE MONETARY VALUE OF THE INDIVIDUAL CLAIM IS DISCUSSED AFTER IT IS DOCUMENTED. D) HIGHER LEVEL MEETINGS, USUALLY REFERRED TO AS DELEGATIONS, MEET TO DISCUSS THE PRINCIPLES WHICH WILL GUIDE THE EXPERT LEVEL TALKS. IN SUCH MEETINGS, NEGOTIATIONS ARE CONDUCTED ON THE ACCEPTABILITY OF VARIOUS TYPES OF CLAIMS, THE METHOD OF ASSIGNING MONETARY VALUES TO CLAIMS, AND NATIONALITY-REPRESENTABILITY QUESTIONS. MOST MISSIONS BELIEVE THAT GDR COUNTER-CLAIMS FOR WAR-TIME EXPROPRIATION OF GERMAN PROPERTY, FINANCIAL CLAIMS, AND CLAIMS FOR COSTS INHERENT IN THE "LATE RECOGNITION" OF THE GDR BY THE NEGOTIATING STATES (ALL OF WHICH HAVE BEEN MENTIONED BY THE GDR SIDE IN VARIOUS DELEGATION LEVEL DISCUSSIONS) WILL BE FORMALLY PRESENTED WHEN DELEGATIONS MEET TO NEGOTIATE A LUMP SUM PAYMENT. ALL THE

MISSIONS ANTICIPATE THAT SUCH LUMP-SUM NEGOTIATIONS WILL NOT BE HELD UNTIL THE EXPERTS HAVE COMPLETED THEIR REVIEW OF INDIVIDUAL CLAIMS, AND THAT THE FINAL PAYMENT WILL BE A MATTER OF A POLITICAL DECISION ON THE PART OF THE GDR.

4. SUMMARIES OF CLAIMS NEGOTIATIONS OF INDIVIDUAL WESTERN COUNTRIES FOLLOW:

A) SWEDEN: HAS HAD SIX MEETINGS ON CLAIMS - THREE "EXPERTS" MEETINGS, ALL IN BERLIN, AND THREE "DELEGATION

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LEVEL" MEETINGS ALTERNATING BERLIN-STOCKHOLM. THE LAST EXPERTS MEETING WAS END OF JANUARY 1978, AT WHICH TIME 25 INDIVIDUAL CLAIMS WERE REVIEWED (THEY HAVE TOTAL OF ABOUT 200). THE GDR SIDE MAINTAINED THAT TAXES AND COSTS OF ADMINISTRATION HAD EATEN UP ALL THE VALUE OF THE PROPERTIES INVOLVED, AND IN 24 OF THE 25 CLAIMS THERE WAS A NEGATIVE BALANCE, I.E. THE CLAIMANTS OWED MONEY TO THE GDR. THE GDR POSITION ON CLAIMS FOR LAND HOLDINGS OVER 100 HECTARES IS THAT THEY HAVE BEEN NATIONALIZED AND THEREFORE THE GDR WILL NOT ACCEPT CLAIMS IN SUCH CASES. ONE CLAIM INVOLVING A MULTI-NATIONAL COMPANY WAS REJECTED BY THE GDR SIDE BECAUSE THE FIRM WHICH CONTROLLED THE COMPANY IN WHAT IS NOW THE GDR HAD DONE SO THROUGH A DAUGHTER COMPANY IN HAMBURG. OUR SWEDISH EMBASSY CONTACT SAYS HIS GOVERNMENT TAKES A SERIOUS VIEW OF THE CLAIMS QUESTION AND WILL TREAT NON-RESOLUTION OF CLAIMS AS AN IMPEDIMENT TO ANY BROADENING OF BILATERAL RELATIONS. THEY BELIEVE THAT A POLITICAL DECISION BY THE GDR TO MAKE SOME KIND OF PAYMENT IS NECESSARY BEFORE THEY CAN MOVE AHEAD

ON OTHER ISSUES.

B) NORWAY: THE THIRD MEETING ON CLAIMS WILL BE HELD IN BERLIN APRIL 25-27, 1978. THE NORWEGIANS HAVE ABOUT 95 CASES, WHICH ARE MAINLY MODEST REAL ESTATE, FINANCIAL, LIMITED OFFICIAL USE

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AND COMMERCIAL CLAIMS DATING FROM PRIOR TO MAY 8, 1945. THEY HAVE FOUND THE GDR TO BE "FORTHCOMING AND CORRECT" IN PROVIDING DOCUMENTATION FOR THESE CLAIMS. THE "ADMINISTRATIVE COSTS OF MAINTAINING FOREIGN-OWNED ASSETS" POSITION HAS BEEN MENTIONED BY THE GDR SIDE, ALTHOUGH ACTUAL EVALUATION OF THE CLAIMS HAS NOT BEGUN. THE NORWEGIAN SIDE HAS RESERVED THE RIGHT LATER TO RAISE QUESTION OF CLAIMS FOR NAZI OCCUPATION OF NORWAY, AND FOR VICTIMS OF NAZI PERSECUTION.

C) AUSTRIA: THE AUSTRIANS HAVE APPROXIMATELY 1000 CLAIMS AND, SINCE THEY HAVE NOT ESTABLISHED A CUT OFF DATE FOR FILING CLAIMS, EXPECT TO GET ABOUT 500 MORE WHEN A LUMP SUM FINAL SETTLEMENT IS MADE. THEY HAVE HAD TWO DELEGATION LEVEL AND TWO EXPERT LEVEL MEETINGS. THEY HOPE THAT THE EXPERTS MEETING SCHEDULED FOR MAY 1978 CAN COMPLETE THE REVIEW OF INDIVIDUAL CLAIMS, AND THAT THEY CAN THEN SET A DATE FOR A DELEGATION TO NEGOTIATE THE SETTLEMENT. GDR COUNTER CLAIMS HAVE NOT YET BEEN PRESENTED, BUT THE COST OF THE "ADMINISTRATION OF FOREIGN-OWNED ASSETS" HAS BEEN MENTIONED AS A FACTOR WHICH WILL BE CONSIDERED WHEN THE VALUE OF CLAIMS IS DISCUSSED.

D) SWITZERLAND: GDR-SWISS NEGOTIATIONS HAVE BEEN IN PROGRESS FOR TWO YEARS. THERE HAS BEEN ONE DELEGATION LEVEL NEGOTIATION ON PRINCIPLES, AND FOUR TECHNICAL/EXPERT SESSIONS (ALL IN BERLIN). THE SWISS HAVE APPROXIMATELY 6000 INDIVIDUAL CLAIMS. THE GDR SIDE HAS THUS FAR ACCEPTED ALL CLAIMS IF PRESENT NATIONALITY IS SWISS AND FORMER NATIONALITY (IF ANY) WAS NOT GERMAN. ONLY PROPERTY AND FINANCIAL CLAIMS ARE INVOLVED. DISCUSSION AND IDENTIFICATION OF INDIVIDUAL CLAIMS IS DONE TOGETHER AT THE TECHNICAL TALKS, AND THE SWISS HAVE FOUND THE GDR SIDE LIMITED OFFICIAL USE

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"HELPFUL" IN PROVIDING DOCUMENTATION ONCE THE PROPERTY OR ACCOUNT IS IDENTIFIED. THE GDR SIDE HAS ALLUDED TO THE 100 HECTARE NATIONALIZATION RULE AND THE ADMINISTRATIVE COSTS OF MAINTAINING FOREIGN-OWNED ASSETS. THE SWISS DO

NOT ACCEPT THESE POINTS, BUT CLAIM THEY HAVEN'T REACHED THE POINT IN THEIR TALKS WHERE THEY WOULD BE DISCUSSED ("WE HAVEN'T DONE ANY ARITHMETIC YET"). THE PRINCIPLE OF COMPENSATION FOR TAKEN PROPERTY IS VERY IMPORTANT FOR SWITZERLAND, BECAUSE OF THE ENORMOUS AMOUNT OF SWISS FOREIGN HOLDINGS, AND THEY ARE DETERMINED TO REACH SOME KIND OF SETTLEMENT.

E) U.K.: AN OFFICER AT THE BRITISH EMBASSY WHO PARTICIPATED DESCRIBES THE SESSION HELD IN BERLIN FEBRUARY 28-MARCH 2, 1978 AS "MIXED TALKS" (I.E. THEY HAVE NOT DISTINGUISHED BETWEEN HIGH-LEVEL DELEGATION MEETINGS AND EXPERT LEVEL PROCESSING OF INDIVIDUAL CLAIMS). THESE WERE THE FIRST CLAIMS TALKS SINCE APRIL 1974, THE DATE OF WHAT THE UK CALLED " PRELIMINARY TALKS" AND WHAT THE GDR CALLED THE "FIRST SESSION".

THE BRITISH EMBASSY OFFICER CHARACTERIZED THE PROGRESS IN THE RECENT SESSION AS UNBELIEVABLY SLOW. THE FIRST DAY BEGAN WITH LONG OPENING REMARKS FROM BOTH SIDES WHICH WERE STATEMENTS OF PRINCIPLE AND CONCERNS. THE GDR SIDE DESCRIBED ITS SYSTEM OF ADMINISTRATION OF FOREIGN ASSETS, NOTING THAT THE COSTS OF ADMINISTRATION WOULD BE DEDUCTED FROM THE CLAIMS WHEN IT CAME TIME TO SET MONETARY VALUES ON THEM. THE GDR DELEGATE, DR. FRIEDRICH FENN, IN WHAT OUR UK CONTACT DESCRIBED AS A "SLOW, PLODDING, LONG-WINDED LECTURE ON THE HISTORICAL AND LEGAL BACKGROUND TO CLAIMS CONSIDERATIONS", SAID THE GDR HAD BEEN BLOCKADED DIPLOMATICALLY AND ECONOMICALLY AND THAT THE ECONOMIC

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TRSE-00 EB-08 IO-13 /082 W
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DAMAGE CAUSED BY (THE WESTERN STATES) DELAY IN RECOG-

NIZING THE GDR WOULD HAVE TO BE CONSIDERED IN A CLAIMS SETTLEMENT. FENN ALSO MENTIONED THAT THE GDR REJECTED CLAIMS OF VICTIMS OF NAZIISM ("WE TOOK CARE OF ALL THAT WITH THE RUSSIANS ON THE BASIS OF THE POTSDAM AGREEMENTS"), AND THAT THE LAND REFORM ACT, WHICH NATIONALIZED LARGE HOLDINGS, PRECLUDED DISCUSSION OF CLAIMS FOR LAND-HOLDINGS OF OVER 100 HECTARES. THE BRITISH IN REPLY LISTED ALL THE TYPES OF CLAIMS THEY WOULD RAISE, INCLUDING PROPERTY, NAZI-VICTIM, PRE-WAR DEBTS (PRINCIPALLY LOANS RAISED THROUGH SALE OF STERLING BONDS IN THE UK IN THE 1920'S BY MUNICIPALITIES, OR OTHER ENTITIES, IN WHAT IS NOW THE GDR), AND ALSO STATED THEIR ASSUMPTION THAT RENTALS ON "ADMINISTERED PROPERTIES" WOULD HAVE BEEN SET AT A RATE SUFFICIENT TO MEET ALL THE COSTS OF ADMINISTRATION.

ON THE SECOND DAY, THE NATIONALITY QUESTION WAS ARGUED BACK AND FORTH, WITH THE GDR CLAIMING THAT THE FIRST CASE THEY HAD EXAMINED (THE BRITISH HAD PROVIDED 320 CLAIMS FILES TO THE GDR OVER EIGHT MONTHS AGO WITH THE UNDERSTANDING THAT THE GDR SIDE WOULD SEARCH RECORDS AND PROVIDE OWNERSHIP DOCUMENTATION AT THE CURRENT TALKS) WAS A DUAL NATIONAL WHO WAS MAKING AN IDENTICAL CLAIM THROUGH THE AUSTRIANS. THE GDR WANTED TO MAKE PHYSICAL RESIDENCE LIMITED OFFICIAL USE

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IN THE UK A CRITERION FOR REPRESENTABILITY. THE BRITISH CLAIMED TO REPRESENT ALL BRITISH CITIZENS, AND ANY STERLINGBOND HOLDERS IN THE PRE-WORLD WAR II ISSUES, REGARDLESS OF NATIONALITY. THE GDR WANTED SOME METHOD OF DETERMINING DUAL NATIONALS AND PREVENTING DOUBLE COMPENSATION. NO RESOLUTION OF THE "NATIONALITY" QUESTION WAS REACHED. ALSO ON THE SECOND DAY, THE GDR SIDE RAISED THE QUESTION OF POST MAY 8, 1945 CLAIMS. THEY SAID THAT CLAIMS FOR PROPERTY WHICH BECAME "BRITISH" (THROUGH INHERITANCE OR BY ACQUISITION OF BRITISH NATIONALITY) SUBSEQUENT TO THAT DATE WERE NOT ACCEPTABLE; AND THAT THE INHERITANCE CASES SHOULD BE TAKEN TO GDR COURTS BY THE CLAIMANT ACTING AS AN INDIVIDUAL (I.E. NOT REPRESENTED BY THE BRITISH GOVERNMENT). THE BRITISH RESERVED THEIR POSITION ON THE ENTIRE QUESTION OF POST MAY 8, 1945 CLAIMS. THE GDR AT THIS POINT GAVE THE BRITISH A LONG GERMAN LANGUAGE FORM TO BE COMPLETED FOR EACH CLAIM WHICH, THE GDR SIDE SAID, WOULD PROVIDE INFORMATION NECESSARY TO MAKE DETERMINATIONS IN INHERITANCE CASES. THE BRITISH AGREED TO COMPLETE THE FORMS.

FINALLY IN THE AFTERNOON OF THE SECOND DAY, THE BRITISH MANAGED TO GET EIGHT (8) CLAIMS REVIEWED FOR ELIGIBILITY AND DOCUMENTATION. OUR UK CONTACT SAID THAT THE GDR HAD BEEN DILIGENT, AND HAD OBVIOUSLY "DONE A LOT OF WORK" TO

OBTAIN OWNERSHIP DOCUMENTS, BUT THAT THERE WERE STILL LARGE GAPS. ALSO, THE GDR CLAIMED THAT MANY CIVIL DOCUMENTS WERE "MISSING" FROM THE BRITISH FILES (MARRIAGE, BIRTH CERTIFICATES, ETC.). THE BRITISH HAD TWO PHOTO-COPIES OF EACH OF THE 320 FILES WHICH HAD BEEN PREVIOUSLY GIVEN TO THE GDR SIDE AND WERE ABLE TO DEMONSTRATE THAT THE FILES WERE COMPLETE: ANY "MISSING" DOCUMENTS MUST HAVE BEEN LOST IN HANDLING BY THE GDR SIDE.

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DURING THE MORNING OF THE THIRD AND LAST DAY OF TALKS, THE DISCUSSION PARTNERS MANAGED TO REVIEW TWENTY-FOUR (24) MORE CLAIMS FOR ELIGIBILITY AND DOCUMENTATION ONLY. (OUR UK CONTACT OBSERVED THAT AT THE RATE THEY WERE PROGRESSING, NEGOTIATIONS COULD TAKE 40 YEARS). IN THE AFTERNOON OF THE THIRD DAY, THERE WAS A "REVIEW" OF WHAT BOTH PARTIES AGREED WERE STILL OPEN QUESTIONS: 1) BRITISH EMBASSY SITE IN EAST BERLIN - THE GDR SIDE EXPRESSED THE VIEW THAT SINCE THE PROPERTY WAS NOT UNDER PUBLIC ADMINISTRATION, IT SHOULD BE EXCLUDED FROM THE CLAIMS NEGOTIATIONS, AND THAT THE BRITISH SHOULD APPROACH THE MINISTRY OF FOREIGN AFFAIRS ON THE QUESTION AS A SEPARATE ISSUE. 2) GDR LAND REFORM ACT AND ITS EFFECT ON CLAIMS - THE GDR EXCLUDES FROM CONSIDERATION CLAIMS FOR PROPERTY WHICH WAS NATIONALIZED. THE BRITISH RESERVED THEIR POSITION. 3) PRE-WAR PUBLIC DEBTS - THE GDR CLAIMS THAT IT IS NOT A SUCCESSOR STATE TO THE THIRD REICH AND HAS NO DUTY TO, OR INTENTION OF ASSUMING DEBTS OF THE REICH. THE BRITISH RESERVED THEIR POSITION ON PRESENTATION OF PRE-NAZI ERA CLAIMS.

THE GDR SIDE SAID COUNTER-CLAIMS WERE STILL TO BE DISCUSSED AND ANNOUNCED THAT THESE WOULD INCLUDE COSTS OF "ADMINISTRATION OF FOREIGN OWNED PROPERTIES", THE QUESTION OF COMPENSATION TO THE GDR FOR SOME 4000 GERMAN TRADEMARK REGISTRATIONS WHICH HAD BEEN AWARDED BY THE BRITISH TO THE FRG, AND CULTURAL CLAIMS (INCLUDING 21 PAINTINGS FROM BERLIN AND DRESDEN MUSEUMS IN FORMER GERMAN EMBASSY IN LONDON WHICH THEY WANT BACK). THE BRITISH ATTEMPT TO PIN DOWN THE GDR SIDE ON A DATE FOR THE NEXT MEETING ELICITED THE RESPONSE THAT THEY (GDR) WERE "ALL BOOKED UP FOR THE REST OF 1978", BUT THAT THEY WOULD BE PREPARED TO DISCUSS

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IN SEPTEMBER 1978 A POSSIBLE 1979 DATE.

TWO OBSERVATIONS OF OUR UK EMBASSY CONTACT: 1) THE BRITISH NEGOTIATING TEAM HAD BEEN THOROUGHLY BRIEFED (AND PROVIDED WITH WRITTEN MATERIAL) ON QUESTIONS CONCERNING THE STATUS OF BERLIN, BUT NO "BERLIN ISSUES" AROSE IN THIS ROUND OF TALKS. 2) THE GDR SIDE COMPLAINED ABOUT THE TIME THEY HAD TO SPEND TRANSLATING ALL THE BRITISH CLAIMS INTO THE GERMAN LANGUAGE. THE BRITISH BELIEVE THE WHOLE PROCESS COULD HAVE BEEN GREATLY ACCELERATED IF THEY HAD INITIALLY PRESENTED TRANSLATIONS, AND SUGGEST THAT WE MAY WISH TO CONSIDER DOING SO WITH OUR CLAIMS.

F) FRANCE: THE FRENCH HELD EXPLORATORY TALKS ON CLAIMS WITH THE GDR IN JULY 1974. THEY HAVE HAD EXPERT LEVEL MEETINGS IN JUNE 1975 IN BERLIN AND OCTOBER 1976 IN PARIS. THE THIRD EXPERTS' ROUND PLANNED FOR THE SPRING OF 1977 HAS BEEN DELAYED TO SPRING 1978. OF THE TOTAL NUMBER OF FRENCH CLAIMS AGAINST GERMANY IDENTIFIED IN THE PERIOD IMMEDIATELY FOLLOWING WORLD WAR II, ABOUT 600 WERE IN THE SOVIET ZONE. MOST OF THESE HAVE FALLEN AWAY - CLAIMANTS CAN'T BE LOCATED OR ARE DISINTERESTED - AND THE FRENCH NOW HAVE APPROXIMATELY 140 REMAINING PROPERTY AND FINANCIAL CLAIMS TO NEGOTIATE WITH THE GDR. (THEY HAVE LIMITED OFFICIAL USE

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NOT CLOSED REGISTRATION OF CLAIMS AND MORE MAY SURFACE.) ON CULTURAL GOODS THE GDR MADE AN OFFER TO SETTLE SEPARATELY. THEY WANTED TO GIVE FRANCE 28 PAINTINGS IN EXCHANGE FOR A STATEMENT THAT "CULTURAL ITEMS SHOULD BE RETURNED TO THEIR PRE-WORLD WAR II LOCATIONS". THE FRENCH BELIEVED THIS TO BE AN OBVIOUS EFFORT ON THE PART OF THE GDR TO SUPPORT THEIR CONTENTION THAT MANY CULTURAL

OBJECTS IN THE FRG "BELONG" TO THE GDR AND SHOULD BE RETURNED. THEY CONSEQUENTLY REJECTED THE OFFER OF A SEPARATE CULTURAL GOODS AGREEMENT. THE "ADMINISTRATION COSTS OF FOREIGN-OWNED ASSETS" POSITION AND THE POTSDAM AGREEMENT AS A BASIS FOR DECLINING CLAIMS OF THE VICTIMS OF NAZIISM, HAVE BOTH BEEN RAISED BY THE GDR IN THEIR TALKS WITH THE FRENCH, BUT ONLY CONVERSATIONALLY AS NEGOTIATING THE MONETARY VALUE OF CLAIMS HAS NOT YET BEGUN. ALSO, AS A COUNTER-CLAIM, THE GDR HAS ATTEMPTED TO RAISE THE QUESTION OF DAMAGES CAUSED BY FRENCH VEHICLES IN EAST BERLIN. THE FRENCH SAY THEY ARE ALERT AND RESISTANT TO ANY INTRODUCTION OF BERLIN QUESTIONS IN THE CLAIMS NEGOTIATIONS.

G) NETHERLANDS: THE DUTCH HAVE HELD TWO ROUNDS OF TECHNICAL DISCUSSIONS WITH THE GDR. THE DUTCH SUBMIT GROUPS OF INDIVIDUAL CASES PERIODICALLY TO THE GDR AS THEY ARE RECEIVED FROM THE NETHERLANDS. DUTCH EXPERIENCE TO DATE IS THAT THE EAST GERMANS, WHILE NOT GIVING THE DUTCH ACCESS TO ORIGINAL SOURCES OF DOCUMENTATION, ARE VERY THOROUGH IN PROVIDING COPIES OF DOCUMENTS EVEN BASED ON INCOMPLETE DATA PROVIDED BY THE DUTCH. THERE HAS BEEN NO ATTEMPT, HOWEVER, TO DISCUSS THE VALIDITY OR VALUES OF INDIVIDUAL CASES. TO DATE, THE GDR HAS REFUSED TO DISCUSS CLAIMS INVOLVING COMPENSATION FOR VICTIMS OF NAZI PERSECUTION (WIEDERGUTMACHUNG) AND THE DUTCH JUST AS FIRMLY LIMITED OFFICIAL USE

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SAY THEY DO NOT CONSIDER THIS ISSUE CLOSED. THE DUTCH ALSO HAVE A NUMBER OF CASES INVOLVING DUAL NATIONALS (E.G. A PERSON WHO MAY HAVE DUTCH AND US CITIZENSHIP). THE GDR WILL ACCEPT SUCH A CLAIM ONLY IF IT CAN BE DEMONSTRATED THAT THE CLAIMANT WILL BE REPRESENTED ONLY BY ONE GOVERNMENT, AND PLACE OF PERMANENT RESIDENCE IS AN IMPORTANT ELEMENT IN THE GDR'S CONSIDERATION. DURING A TECHNICAL ROUND OF TALKS, THE GDR INDICATED IT WOULD SPLIT CLAIMS INTO TWO CATEGORIES: A) REAL PROPERTY (LAND, HOUSES, FURNISHINGS), AND B) "UNREAL" PROPERTY (STOCKS, BONDS, BANK ACCOUNTS, ETC.) EVEN IF FROM ONE CLAIMANT.

5. ALL NEGOTIATIONS ON CLAIMS WITH THE STATES LISTED ABOVE HAVE BEEN CONDUCTED FOR THE GDR SIDE BY AMT FUER DEN RECHTSSCHUTZ DES VERMOEGENS. CONTACT AT THE MINISTRY OF FOREIGN AFFAIRS (FOR SETTING DATES OR OTHER ADMINISTRATIVE ARRANGEMENTS) IS THE RECHTS- UND VERTRAGS-ABTEILUNG, HEADED BY DR. TSCHIEDRICH WITH FRAU DR. HERZOG AS DEPUTY.

6. APPROPRIATE CONTACTS AT THE EMBASSIES NOTED ABOVE HAVE EXPRESSED THEIR WILLINGNESS TO MEET WITH THE DEPARTMENT'S CLAIMS EXPERTS WHEN THEY ARE IN BERLIN IN LATE MARCH.

MOST THOUGHT A GROUP MEETING, RATHER THAN A SERIES OF CALLS, WOULD BE PREFERABLE. THEY FEEL THAT AN EXCHANGE OF VIEWS AND EXPERIENCES (INCLUDING BY THEN SOME VERY FRESH ONES) IN A ROUND TABLE FORMAT WOULD PROVIDE THE MAXIMUM AMOUNT OF USEFUL INFORMATION TO ALL THE PARTICIPANTS. THE EMBASSY BELIEVES THIS WOULD BE A GOOD APPROACH, AND WOULD BE MOST USEFUL TO ALL CONCERNED AFTER THE DEPARTMENT'S EXPERTS HAVE THEIR TALKS WITH GDR REPRESENTATIVES. WE COULD THEN SHARE OUR VIEWS/EXPERIENCE WITH OUR WESTERN COLLEAGUES, WHO HAVE BEEN COOPERATIVE IN SHARING THEIR EXPERIENCE. PLEASE ADVISE. BOLEN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 09 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BERLIN01710
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780106-0761
Format: TEL
From: BERLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780389/aaaacxow.tel
Line Count: 504
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Office: ACTION EUR
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 BERLIN 1574, 77 STATE 283264
Retention: 0
Review Action: RELEASED, APPROVED
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Review Date: 01 jun 2005
Review Event:
Review Exemptions: n/a
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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Secure: OPEN
Status: NATIVE
Subject: US-GDR CLAIMS TALKS.
TAGS: CPRS, GC, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/d8d30fcb-c288-dd11-92da-001cc4696bcc
Review Markings:
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Declassified/Released
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EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014